

Week 38, 2019

Tea Market Report 16 – 20 September 2019

The auction room was more animated in Mombasa this week with Muslim buyers having returned from their religious holidays. 129K pkgs were on offer as compared to 130k last week and the proceedings were generally easier across all grades. That being said; the absorption rate improved to 11.67% as compared to last week's 18.28% and the All Avg hammer went up a further 2cts. Afghanistan re-entered the market and despite having low local stocks, their preferred EoR PF1s were not attractive enough, hence they resorted to other qualities as well. EoR crop levels remained relatively meager while WoR was steady. In general cropping is low, albeit auction quantities are holding up well. In Malawi, good demand continued for well-made types. In line with the time of the year, it was announced that there will be no closing for Sale 40, the first for this season. In Colombo, a quantity of 3.18 m. kgs were on offer in the Low Grown category while 1.89 m. kgs were on offer for the High Grown/ Mid Grown categories. The sale averages for sale 36 show a slight upward movement, which could be attributed to the increase in the Low Grown prices last week. The auction offerings over the next two to three weeks will be lower to previous weeks due to the extreme rains prevalent in Sri Lanka. Whilst this mostly applies to the Low Grown sector, the High Grown varieties have also started showing a slight decline. Some buyers are still not allowed to participate in the auction this week in Indonesia due to outstanding payments. There was fair demand for 5,940 pkgs with 24% remaining unsold. In Java crops are down by more than 40% on average. In India, the Tea Board Directive has directed all Registered Tea Manufacturers to complete plucking by 14th December 2019 and move packed teas by 31st December 2019. The move is expected to stop the manufacturing of poor-quality types end of season. In China and Vietnam, a couple of final plucking rounds are expected before the season ends, whilst in other parts of the world producers are slowly preparing the onset of their respective seasons, i.e. Argentina.

"Without deviation from the norm, progress is not possible." – Frank Zappa

Crop figures (in m.kg)

	August 19	August 18	Jan-August 19	Jan-August 18
Malawi	1.7	1.7	37.7	37.1
	July 19	July 18	Jan-July 19	Jan-July 18
Sri Lanka	25.7	23.9	184.1	182.1
India	176.1	162.5	649.8	614.4
Kenya	31.5	35.3	244.1	266.3

Upcoming auction quantities (pkgs)

	Week 39	Week 40	Week 41
Mombasa	136,949	139,731	134,918
Blantyre	2,980	No closing	N/A
Colombo	6.61 m. kgs	6.41 m. kgs	N/A
Jakarta	9,340	9,300	N/A
Kolkata	201,604	187,158	181,148
Guwahati	256,378	203,101	181,212

KENYA

Auction – Improved general demand. Best BP1's irregularly steady to easier with selected best dearer, below best opened weak but improved to close steady to 15cts easier, good medium irregularly firm to dearer, medium steady to 5cts easier, plainer firm to 6cts up. Best PF1's 2-8cts up, below best firm to 6cts up, good medium 2-10cts up, medium irregularly steady to easier with selected best dearer, plainer irregularly steady to 4cts easier. Best PD's 15-20cts easier, below best up to 25cts easier, good medium steady to 10cts easier, medium steady to 8cts easier, plainer steady to 6cts easier. Best D1's steady to 5cts easier, below best 2-8cts easier, good medium irregularly steady to easier, medium steady to 4cts easier, plainer irregularly steady to 6cts easier.

Demand – Pakistan packers and Afghan were the most active followed by Egyptian jobbers, Bazar and the UK. Yemen and Russia were steady while Kazakhstan was much slower. Somalia continued active on their BMFs while Iran and local packers stayed out.

Weather – EoR – Chilly mornings were experienced throughout the week. These gave way to mainly sunny intervals throughout the week with nights being selectively misty or cloudy. Ambient temperatures maintained low. WoR Nandi/ Kericho/ Kakamega/ Kisii – Earlier days of the week received significant rainfall however in the end of the week it tended dry. Day time (maximum) temperatures generally increased while night-time (minimum) temperatures generally decreased over much of the region.

MALAWI

Auction – Good demand except for Mbomas at steady to easier rates. BP1 neglected. PF1 Sc continued good demand at 3-4cts easier rates. PF1 Seedling good demand. Mulanje gardens were dearer while Thyolo gardens were steady. PFs neglected. PDs well-made types were steady, poor sorts were neglected. D1s taken out under bid. Offgrade fngs neglected. Offgrade dust 5cts dearer where sold.

Weather – Mulanje and Thyolo both experienced hot weather conditions over the day time and cold in the evening.

SRI LANKA

Auction – HG – Low demand. Western BOP best 5-10cts lower, below best 3-5cts lower, plain 5cts lower. Western BOPF best 5-10cts lower, below best 5-10cts lower, plain 5cts lower. N.Eliya BOP 5-10cts lower, BOPF 5cts lower. Uva/ Udupussellewa BOP 5-10cts lower, BOPF 5cts lower. LG – Moderate demand. OP1 select best 20cts dearer, best steady to 5cts lower, below best 15-20cts lower, bottom 5cts lower. BOP1 select best 5cts dearer, best firm, below best 5cts lower bottom 5cts lower. OP select best 5cts dearer, best firm, below best firm, bottom firm. OPA select best firm, best 5cts lower, below best firm, bottom 5cts lower. PEKOE 1 select best 5-10cts dearer, best 5-10cts dearer, below best 5cts dearer, bottom 10cts dearer. PEKOE select best 5cts dearer, best 5-10cts dearer, below best 5cts dearer, bottom 5cts dearer. FBOP/FBOP1 all round firm. FF1 best firm, below best firm, bottom 5cts dearer. FF best firm, below best firm, bottom 10cts lower. BOP best 10cts dearer, below best 10cts dearer, bottom firm. BOPF firm market. Tippiess/Specials all round firm. Off grades - Liq. Fgs overall 5cts lower. Low Grown Fgs overall firm. BP overall 10-15cts Dearer. BM overall firm. BOP1A select best firm, best 5cts dearer, below best 5-10cts dearer, bottom 5cts dearer. Dust - High Growns/Liq. Primary better sorts firm, others 10cts lower. Secondaries firm. Low Grown better sorts firm to 10cts lower, others firm.

Demand – Turkey and Syria strong. Iran, Saudi Arabia, Russia, and Hong Kong active. Iraq and North America selective.

Weather – All plantation districts have reported rain throughout the week. In some districts, the rains have been very heavy with fair winds as well.

INDONESIA

Auction – Java/Sumatra Orthodox were selling at firm to dearer especially for Orthodox PF/Dust/BT. In the meantime, Java/Sumatra CTC were selling at steady to firm except for PD.

Weather – Java – All around dry. Sumatra – North, west and south also dry over the week.

INDIA

Kolkata

Auction – CTC – The market remained steady as compared to last week and met good demand with 70% sold. Better Assams were barely steady and irregularly easier. Orthodox – Good demand with 87% sold. Better liquoring whole leaf irregular around last, while brokens were firm to occasionally dearer. Leafy fannings steady. The market experienced improved demand for remainder sorts and secondaries, but occasionally tended bearish according to quality with some withdrawals.

Guwahati

Auction – CTC – All around good demand. Better liquoring Assams sold irregular around last.

Coonoor

Auction – CTC leaf – Improved demand. Best liquoring teas easier. Good and medium teas dearer by 3-4cts, sometimes more. Plainer sorts dearer up to 2cts. Generally, there was better demand for fannings which was dearer. CTC dust – Improved and better demand. Best liquoring teas easier and the trend mirrored the leaf sale. Good and medium teas dearer by 3-5cts, sometimes more. Plainer teas dearer 2-3cts. Orthodox leaf – Good demand. Primary Whole Leaf grades tended to be easier. Brokens and fannings dearer. Orthodox dust – Good demand. Primary Whole Leaf grades tended to be easier. Brokens and fannings dearer.

Cochin

Auction – Orthodox leaf – Fair demand. Select best Nilgiri teas sold at firm levels in line with quality. Medium sorts lower with heavy withdrawals. Fannings firm. CTC – Fair demand. Irregularly dearer 1-2cts.

Dust – Good demand improved with the progress of the sale. Good and popular marks firm to dearer by up to 4cts. Medium teas irregular around last sometimes dearer. Plainer sorts followed a similar trend with some withdrawals.

Coimbatore

Auction – CTC leaf – Fair and selective demand. High priced teas fully firm to dearer. Medium bolder grades dearer by 1-2c. Smaller brokens around last. Plainer teas irregularly lower with quality and facing withdrawals. Orthodox leaf – Reduced demand at lower levels. CTC dust – Fair demand. Good liquoring PD and RD's fully firm to dearer while the finer grades appreciated more with quality. Medium sorts with clean appearance and liquoring properties dearer 2-3cts. Remainder firm. Plainer bolder grades dearer 1-2cts. Finer teas around last.

All price movements quoted in USD per kilo.

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